

MEMORANDUM

TO: Commissioners Hardy, Hadley, Landis, Server and Ziegner
FROM: Jerry L. Webb, Director of Gas/Water/Sewer Division
DATE: November 22, 2006
RE: Utility Articles for Next Conference

The following Final Article A and Preliminary Articles A are submitted to each of you to acquaint you with the tariffs eligible for action or acceptance on or after November 29, 2006.

“A” Final

The following miscellaneous item will be eligible for final consideration at the next Commission Conference and based upon a review of it by staff members of the Commission, I recommend approval.

1. Northeastern REMC

The utility proposes to add Schedule LPRE – Optional Renewable Energy Rider to its current tariff. The proposed schedule is voluntary, and will give large power customers the opportunity to reserve and purchase renewable energy. The rider is similar to an existing rider for residential and small commercial customers.

Under Schedule LPRE, the customer will declare a percentage, in 5% increments, of its total energy requirements that the utility is to supply with renewable energy. A participating customer's bill will consist of the charges under its standard tariff, plus a charge for the renewable energy purchased at \$0.00375 per kWh.

The utility does not incur a higher cost for renewable energy purchases. Under this program, the utility donates the net revenues generated by this rider to qualified organizations involved in protecting the environment, providing environmental education, or engaged in research and development of new renewable energy resources. The revenue donated is net of the utility's administration costs of the program, which are specified in the tariff to not exceed 25% of the additional revenues. The utility does not foresee the administrative costs exceeding the 25% limit. Because this rider is voluntary, it does not affect the utility's charges to existing customers who do not take part in the program.

The tariff sheet affected by this filing is:

Schedule LPRE – Optional Renewable Energy Rider.

Please indicate your consideration and action of all the preceding items on the appropriate lines provided below.

Jerry L. Webb
Director of Gas/Water/Sewer Division

I approve of all items as presented above:

I approve of all items as presented above except:

Not participating in the following items:

I, _____ , Disapprove Items

No.

I, _____ , Wish to Defer Items

No.

I hereby certify that the above is a true and correct copy of the action on the articles.

Brenda Howe, Executive Secretary

“A” Preliminary

The following new miscellaneous items have been reviewed by staff members of the Commission and we recommend accepting them for filing.

1. Duke Energy Indiana

The Utility has filed for approval of a change in its Standard Contract Rider No. 63, Emission Allowance Adjustment, in accordance with Commission Order in Cause No. 42359, dated May 18, 2004. This Order reaffirmed Duke Energy Indiana's authorization to recover SO₂ and NO_x emission allowance costs via Standard Contract Rider No. 63. Additionally, in Cause No. 42718, dated May 24, 2006, the Commission approved an amendment to Standard Contract Rider 63, authorizing recovery of mercury emissions (Hg) allowance costs.

The proposed emission allowance charge factor is (\$0.004251) per kilowatt-hour and is applicable to all retail electric rate schedules for the months of January, February, and March 2007. The proposed factor will be effective upon Commission approval. This factor includes the emission allowance cost variance of (\$41,792,017) from June 2006 through August 2006. The reduction in native load emission allowance expense resulted from gains on sales of native load emission allowances.

The tariff sheet affected by this filing is:

Sheet No. 63A

2. Southern Indiana Gas and Electric Company (Electric)

The utility seeks Commission approval for the following:

1. An update to Rate SL-1, Street Lighting Service, page 2 of 3, adding 150 Watt (Approximately 15,000 Lumens) under (C) Series and/or Multiple High Pressure Sodium Street Lighting Rates. This update was omitted in the reformatted tariff that became effective on March 15, 2006.
2. An update to Rate SL-1 to correct a typographical error on page 2 of 3, changing “100 Watt (Approximately 54,000 Lumens)” to read “1000 Watt (Approximately 54,000 Lumens)”.

The Commission previously approved the SIGECO Rate SL-1 tariff on March 15, 2006.

The tariff sheets affected by this filing are SL-1 Street Lighting Service, First Revised Sheet No. 30.

3. Southern Indiana Gas and Electric Company (Electric)

The utility seeks Commission approval for the following:

1. Revise the Net Metering Rider, Sheet No. 52, and Rate CSP, Sheet No. 79, to require that the interconnected facilities comply with the requirements of 170 IAC 4-4.3.
2. Make minor revisions to the tariff language on Sheet No. 52 and Sheet No. 79.

The Commission previously approved the SIGECO Net Metering Rider, Sheet No. 52 on March 15, 2006; and approved Rate CSP, Sheet No. 79 on March 15, 2006 (Sheets 1,3,4) and on April 25, 2006 (Sheet 2).

The tariff sheets affected by this filing are as follows:

1. Net Metering Rider, Sheet No. 52
2. Rate CSP, Sheet No. 79

Jerry L. Webb
Director of Gas/Water/Sewer Division